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FOR IMMEDIATE RELEASE
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MAY REVENUES

NASHVILLE - State revenue collections for May continued strong, in line with revised estimates in April that predicted greater growth to close the Fiscal Year. Finance and Administration Commissioner Dave Goetz reported today that overall May revenues were \$23.2 million more than the state budgeted.

"The state's economy continues a strong showing - with clear indications of confidence in the state's outlook from the business sector as well as consumers," Goetz said. "It's equally important that we've managed our resources by setting our priorities within economic projections so that Tennessee meets its goals in education, jobs and health care, even if economic growth slows down a bit, as we think it will."

On an accrual basis, May is the tenth month in the 2005-2006 fiscal year. Department of Revenue collections were \$783.0 million.

The general fund was \$25.4 million overcollected and the four other funds undercollected by \$2.2 million.

Sales tax collections were \$15.3 million more than the estimate for May. For ten months revenues were overcollected by \$103.3 million.

Franchise and excise taxes were \$14.2 million more than the estimate of \$43.3 million. For ten months revenues were \$76.3 million overcollected.

Gasoline and motor fuel collections increased by 3.86% million above the budgeted estimate of \$73.5 million. For ten months, collections were \$11.4 million more than the estimate.

Year-to-date collections for ten months were \$249.8 million more than the budgeted estimate. The general fund was overcollected by \$231.3 million and the four other funds were overcollected by \$18.5 million.

The revised estimates adopted by the second session of the 104th General Assembly in May of this year assume a surplus of \$169.0 million in sales tax collections, \$61.6 million in franchise and excise taxes, and a general fund surplus of \$ 283.9 million.

The revised revenue estimates are based on the State Funding Board's consensus recommendation presented to the General Assembly prior to passage of the General Appropriations Act.

<p align="center">REVENUE COLLECTIONS MAY, 2006, AND 10 MONTHS YEAR-TO-DATE</p>
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May Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$615,634,000	\$641,037,000	\$25,403,000
Highway Fund	61,386,000	58,233,000	(3,153,000)
Sinking Fund	22,996,000	23,118,000	122,000
City & County Fund	57,531,000	58,494,000	963,000
Earmarked Fund	2,321,000	2,146,000	(175,000)
Total	\$759,868,000	\$783,028,000	\$23,160,000

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$6,759,844,000	\$6,991,117,000	\$231,273,000
Highway Fund	534,500,000	536,757,000	2,257,000
Sinking Fund	230,704,000	231,330,000	626,000
City & County Fund	592,280,000	611,137,000	18,857,000
Earmarked Fund	26,299,000	23,108,000	(3,191,000)
Total	\$8,143,627,000	\$8,393,449,000	\$249,822,000

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	May			
	2005	2006	Change	Percent
Franchise & Excise	\$40,505,000	\$57,539,000	\$17,034,000	42.05%
Income	5,776,000	5,164,000	-612,000	-10.60%
Inheritance & Estate	2,249,000	2,091,000	-158,000	-7.03%
Gasoline	52,434,000	53,240,000	806,000	1.54%
Petroleum Special	5,455,000	5,582,000	127,000	2.33%
Tobacco	10,689,000	11,295,000	606,000	5.67%
Beer	1,357,000	1,623,000	266,000	19.60%
Motor Vehicle Registration	19,173,000	23,772,000	4,599,000	23.99%
Motor Vehicle Title	946,000	1,010,000	64,000	6.77%
Mixed Drink	3,890,000	4,208,000	318,000	8.17%
Business	988,000	(2,807,000)	-3,795,000	-384.11%
Privilege	45,170,000	51,221,000	6,051,000	13.40%
Gross Receipts	265,000	115,000	-150,000	-56.60%
TVA - In Lieu of Tax Payments	18,038,000	18,344,000	306,000	1.70%
Alcoholic Beverage	3,095,000	3,268,000	173,000	5.59%
Sales and Use	510,639,000	532,294,000	21,655,000	4.24%
Motor Vehicle Fuel	13,053,000	14,855,000	1,802,000	13.81%
Severance	119,000	147,000	28,000	23.53%
Coin-operated Amusement	1,000	3,000	2,000	200.00%
Unauthorized Substance	0	64,000	64,000	NA
Total	\$733,842,000	\$783,028,000	\$49,186,000	6.70%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - May			
	2004-2005	2005-2006	Change	Percent
Franchise & Excise	\$1,051,701,000	\$1,179,487,000	\$127,786,000	12.15%
Income	153,093,000	189,899,000	36,806,000	24.04%
Inheritance & Estate	75,161,000	65,069,000	-10,092,000	-13.43%
Gasoline	503,761,000	501,135,000	-2,626,000	-0.52%
Petroleum Special	52,670,000	53,363,000	693,000	1.32%
Tobacco	98,173,000	105,453,000	7,280,000	7.42%
Beer	14,517,000	14,971,000	454,000	3.13%
Motor Vehicle Registration	194,382,000	205,406,000	11,024,000	5.67%
Motor Vehicle Title	9,459,000	9,087,000	-372,000	-3.93%
Mixed Drink	35,648,000	40,539,000	4,891,000	13.72%
Business	13,739,000	12,503,000	-1,236,000	-9.00%
Privilege	220,426,000	257,502,000	37,076,000	16.82%
Gross Receipts	13,553,000	13,295,000	-258,000	-1.90%
TVA - In Lieu of Tax Payments	178,854,000	183,331,000	4,477,000	2.50%
Alcoholic Beverage	31,085,000	32,944,000	1,859,000	5.98%
Sales and Use	5,027,842,000	5,376,876,000	349,034,000	6.94%
Motor Vehicle Fuel	141,725,000	150,216,000	8,491,000	5.99%
Severance	1,194,000	1,501,000	307,000	25.71%
Coin-operated Amusement	69,000	66,000	-3,000	-4.35%
Unauthorized Substance	0	806,000	806,000	NA
Total	\$7,817,052,000	\$8,393,449,000	\$576,397,000	7.37%

Table 3
August - May Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ 98,900,000	\$ 4,600,000	\$ 103,500,000
Income Tax	22,200,000	8,500,000	30,700,000
Inheritance Tax	(14,700,000)	0	(14,700,000)
Privilege Tax	34,600,000	(3,200,000)	31,400,000
Business Tax	(900,000)	0	(900,000)
TVA	(200,000)	(200,000)	(400,000)
Gross Receipts	1,500,000	0	1,500,000
Gasoline & Motor Fuel Taxes	200,000	11,300,000	11,500,000
Motor Vehicle Registration	(1,200,000)	(5,000,000)	(6,200,000)
Other Taxes	14,500,000	2,500,000	17,000,000
Sub-Total	\$ 154,900,000	\$ 18,500,000	\$ 173,400,000
F & E Taxes	76,400,000	0	76,400,000
Total	\$ 231,300,000	\$ 18,500,000	\$ 249,800,000